BEFORE THE BOARD OF OIL, GAS, AND MINING DEPARTMENT OF NATURAL RESOURCES in and for the STATE OF UTAH

IN THE MATTER OF THE APPROVAL OF
THE NOTICE OF INTENT AND RECLAMATION)
PLAN SUBMITTED BY RANCHERS EXPLORATION AND DEVELOPMENT CORPORATION)
IRON COUNTY, UTAH

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ORDER TO SHOW CAUSE NO. ACT/021/004

THE STATE OF UTAH TO ALL OPERATORS, TAKERS OF PRODUCTION, MINERAL AND ROYALTY OWNERS, AND PARTICULARLY ALL PERSONS INTERESTED IN TOWNSHIP 36 SOUTH, RANGE 17 WEST, SLBM, IRON COUNTY, UTAH.

Notice is hereby given that tentative approval was given by the Utah
Division of Oil, Gas, and Mining, on September 27, 1979, to Ranchers Exploration
and Development Corporation, 1776 Montano Rd., N.W., Box 6217, Albuquerque,
New Mexico 87107, to commence pilot underground mining operations for Silver
ore in portions of Section 2, Township 36 South, Range 17 West, Iron County,
Utah. The name of the mine is the Escalante Silver Mine, and the person
representing the company in this matter is Mr. Mark Welch, Chief Engineer,
Ranchers Exploration and Development Corporation, 1776 Montano Rd., N.W.,
Box 6217, Albuquerque, New Mexico 87107.

Ranchers Exploration and Development Corporation has fulfilled obligations under the Utah Mined Land Reclamation Act of 1975 (Section 40-8, U.C.A., 1953, as amended), and will employ the following reclamation techniques on approximately 12 acres of leased claims.

During operations:

- Access will be via existing roads to the mine area. Several short access roads in the mine area will be constructed.
- 2. Mining will be conducted in a safe, orderly, and workman like manner.
- 3. Dewatering of the mine workings will be done using Five vertical turbine pumps. The mine water will be pumped via pipeline to a natural recharge point for Shoal Creek at a rate of approximately 11,000 gallons/min.
- 4. Several additional buildings will be constructed or sited.

After operations:

- 1. The operator has committed to comply with all applicable reclamtion standards adopted under the Utah Mined Land Reclamation Act.
- Buildings, trash and debris will be removed and the portals will be sealed.
- 3. The disturbed surfaces will be harrowed, broadcast seeded with a diverse seed mixture, and reseeded if necessary.

Reclamation performance surety will be established upon final approval of the mining and reclamation plan.

Any person or agency aggrieved by this tentative decision is hereby requested to submit written protest within 30 days of November 1, 1979, to the Division of Oil, Gas, and Mining, 1588 West North Temple, Salt Lane City, Utah 84116, setting forth factual reasons for his complaint, and thereafter at a time and place heretobe established, appear before the Board of Oil, Gas, and Mining to show cause, if any there be, why this plan should not be approved.

DATED this 25th day of October, 1979.

STATE OF UTAH BOARD OF OIL, GAS, AND MINING

Secretary to the Board